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Tisch high on new Loews in Chicago

By: [Alby Gallun](#) March 01, 2013

Jonathan Tisch

Jonathan Tisch soon will have a new place to stay when he comes to watch his New York Giants play the Bears.

Mr. Tisch, the co-owner and treasurer of the NFL team, also is chairman of Loews Hotels & Resorts, which plans to open a 400-room hotel in Streeterville in 2015. New York-based Loews originally committed to build a 384-room hotel atop the Block 37 development in the Loop but **pulled out of that deal in 2009**, after the real estate market crashed.

The Chicago hotel is part of a national expansion by the Loews chain, which currently runs 19 hotels in cities including New York, Los Angeles, Miami and Nashville, Tenn.

"It's a market that we wanted to be in for many, many years," Mr. Tisch said.

Chicago is familiar turf for the Tisch family and Loews Corp., the New York-based holding company that owns the hotel chain. Loews owns 90 percent of Chicago-based insurer CNA Financial Corp. Loews Hotels also owned and operated the Ambassador East and West hotels in the Gold Coast in the late 1960s and early 1970s, as well as the former House of Blues hotel in River North.

Mr. Tisch, 59, a graduate of Tufts University, is co-chairman of Loews Corp. and serves in the company's office of the president.

The new Loews Chicago Hotel is part of a 52-story mixed-use development at Illinois Street and Park Drive that will also include 398 apartments. The project's developer, Chicago-based DRW Trading Group, **began construction in December** but held a ceremonial groundbreaking Friday morning.

Mr. Tisch, who was in town for the event, spoke with Crain's about the hotel earlier this week. Here are edited excerpts from that interview:

Crain's: Why did you want to be in Chicago?

Mr. Tisch: Chicago certainly is one of the key markets in a domestic sales and marketing plan that any major operator of hotels should be in. And over the past year, since Paul Whetsell, our fairly new CEO, joined us, we've really concentrated on establishing a national footprint . . . Chicago is a very important market in terms of our customers, our clients, who enjoy doing business with us, want to stay with us and be consistent and in terms of having their meetings at Loews properties in key markets across the country.

Loews initially committed to build a hotel at Block 37 in the Loop. Why do you like the Streeterville site?

We like Streeterville because of the demand generators that are built into that location. We will have about 21,000 square feet of meeting space in the hotel, so we can satisfy our group clients. For the (tourist) clients, we are a very short walk from North Michigan Avenue and the retail opportunities there. We also have Navy Pier, the movie theaters, other cultural attractions. We were drawn to the very central location in the heart of Streeterville and right off North Michigan Avenue.

So who's going to be your competition?

We know that the properties in the immediate neighborhood will be competition. The InterContinental, the Sheraton, the Omni — those are the properties that we will compete with, those are the properties that have good meeting space. But we believe that there will be enough business in town for everybody. Chicago is a strong market, it's a city that continues to grow, and we will stick to our philosophy of hospitality, of selling, of taking care of our guests, and we are very bullish on the Loews Chicago Hotel.

How will the hotel differentiate itself from the competition?

We think it differentiates itself because it's a new product, taking into mind as we designed the

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A rendering of the planned hotel

hotel some of the evolving trends in lodging. It will have the Loews name on it, and we have a very loyal clientele who want to do business with us because they like our style of operations. . . .When you combine the design, the architecture, the attitude of our co-workers, the location and the fact that the Loews name will be affixed to the hotel, we are very confident about the fact that our customers will come and use the property.

Several other downtown hotel developments are in the works right now and the convention authority recently announced plans to build a 1,200-room hotel near McCormick Place. Do you have any concerns about a potential glut down the road?

No, because it's still very, very hard to finance new construction. There has to be very strong support from the sponsors, there has to be a willingness in terms of banks to lend on construction loans and takeouts. So the market is a very good regulator of new construction. . . .More properties eventually come online, but I can't really worry about that. I have to focus on the Loews Chicago Hotel, making sure that we build it on time and on budget and that we offer a terrific project.

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